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Comptroller of the Currency  
Administrator of National Banks

**SMALL BANK**

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## **PUBLIC DISCLOSURE**

October 25, 1999

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**American National Bank of Rock Springs  
Charter Number 17656**

**2515 Foothill Boulevard  
Rock Springs, Wyoming 82902**

**Office of the Comptroller of the Currency  
Salt Lake City Field Office  
2855 Cottonwood Parkway, Suite 370  
Salt Lake City, Utah 84121**

**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## GENERAL INFORMATION

*The Community Reinvestment Act requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **American National Bank of Rock Springs**, prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of October 25, 1999. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

**INSTITUTION'S CRA RATING:** This institution is rated **“Satisfactory.”**

We assign this rating based on the following factors:

- C The bank’s loan-to-deposit ratio is exceptional.
- C ANB’s lending patterns reflect a satisfactory distribution among businesses of different sizes and individuals of different income levels.
- C A majority of loans are made in the bank’s assessment area.

## DESCRIPTION OF INSTITUTION

American National Bank of Rock Springs (ANB) is a full service community bank located in Rock Springs, Wyoming. On September 30, 1999, the bank had total assets of \$44 million. ANB has one office with an attached automated teller machine (ATM). The bank is 100% owned by Rock Springs American Bancorporation, Inc., a one-bank holding company. ANB has no subsidiaries or banking affiliates.

ANB specializes in small business and residential real estate lending. On September 30, 1999, commercial loans comprised 38% of outstanding loans, residential real estate loans 47%, and consumer loans 15%. Net loans represent 56% of total assets.

ANB received an "Outstanding" rating in the previous CRA Performance Evaluation dated February 28, 1997. There are no financial or legal impediments which limit the bank's ability to help meet the credit needs of its assessment area.

## DESCRIPTION OF ASSESSMENT AREA

ANB's assessment area consists of five block numbering areas (BNAs) which include the city of Rock Springs and adjacent populated areas. The assessment area meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income geographies. Approximately 23,000 people live in the assessment area. The population increased about 10% from 1990 to 1998.

ANB faces strong competition within the assessment area from two local community banks, two branches of regional banks, and several credit unions.

The 1999 Wyoming statewide non-metropolitan median family income (MFI) is \$42,800. The following table summarizes the income levels of individual BNA's and families located within the bank's assessment area:

1990 U.S. Census Income	# of BNAs	% of Families
Low Income (<50% MFI)	0	15%
Moderate Income (50-79% MFI)	0	14%
Middle Income (80-119% MFI)	2 (40%)	19%
Upper Income (120+% MFI)	3 (60%)	52%

## DESCRIPTION OF ASSESSMENT AREA (continued)

The trona mining industry is a major employer in Sweetwater county. Trona is an ore that is mined for production of soda ash. Other sources of employment include the oil and gas industry, coal mining, local government, and cattle ranching. The local economy has been stable. Mining has been only minimally impacted by weak foreign markets. Home prices have leveled off in the past year and a half and there have been no significant changes in the county's employment prospects.

We contacted one local community development official to discuss economic conditions and credit needs. This individual indicated that the local economy is generally stable and that the financial institutions are effectively meeting the credit needs of the community. The contact stated that small business and affordable housing were the predominant local credit needs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### ***Loan-to-Deposit Ratio***

ANB exhibits an exceptional loan-to-deposit ratio given the bank's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio for the twelve quarters ending June 30, 1999, was 66%. The median loan-to-deposit ratio for fifteen similarly situated banks (assets between \$20 and \$60 million) in Wyoming was 66%. However, it is important to note that ANB is the leading mortgage originator in Sweetwater County despite being much smaller than its competitors. ANB originated \$70 million in real estate loans in 1997, 1998 and the first ten months of 1999. Most of these loans were sold in the secondary market. If these loans were held in the bank's loan portfolio, the loan-to-deposit ratio would be significantly higher.

### ***Lending to Borrowers of Different Incomes and to Businesses of Different Sizes***

ANB's lending patterns reflect a satisfactory distribution among businesses of different sizes and individuals of different income levels. ANB demonstrates a strong commitment to lending to very small businesses by originating 64% of their business loans to entities with gross revenues less than \$250,000.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (continued)**

ANB is the leading originator of mortgages in Rock Springs and uses a variety of products to serve the housing needs of all families in their market. However, the bank's distribution of residential real loans originations compares unfavorably to demographic statistics. During the assessment period, the bank

made 12% of their residential real estate loans to low- and moderate-income families. This group comprises 29% of families living in the assessment area. This variance is mitigated by the large supply of affordable housing for this segment of the population. Community contacts indicated that many low and moderate-income families rent rather than purchase a home. A two bedroom unit rents for an average of \$400 a month. In comparison, the average price of an existing home was \$106,000 in 1997, which equates to a monthly payment of \$780. To promote affordable housing, ANB participates in the Wyoming Community Development Authority (WCDA) program. The program offers closing cost assistance, requires no down payment, and reduced interest rates. The bank originated 31 (\$2.4 million) WCDA loans in 1998 and the first ten months of 1999. The bank also helps low- and moderate-income families obtain housing by lending on mobile homes. The bank had 31 consumer loans secured by mobile homes as of November 2, 1999.

We analyzed the distribution of 25 business loans made in 1999. We obtained the gross revenue information from individual loan files. The following chart reflects the distribution of business loan originations to businesses of various sizes:

***Business Loan Sample Analysis***

<b>Gross Business Revenues</b>	<b># of Loans</b>	<b>% of Loans</b>
Less than \$100,000	9	36%
\$100,000 to \$250,000	7	28%
\$250,000 to \$500,000	4	16%
\$500,000 to \$1,000,000	2	8%
Greater than \$1,000,000	3	12%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA (continued)**

We also reviewed the distribution of 25 residential real estate loans made in 1999. The following chart compares the bank’s distribution of these loan originations (number of loans) to families of different income levels:

***Residential Real Estate Loan Analysis***

<b>Family Income</b>	<b>% of residential RE loans</b>	<b>% of Families in Assessment Area</b>
Low (<\$21,400)	8%	15%
Moderate (\$21,400-\$34,239)	4%	14%
Middle (\$34,240-\$51,359)	36%	19%
Upper (>\$51,360)	52%	52%

***Lending in Assessment Area***

ANB makes a majority of its loans within its assessment area. The bank tracks the block numbering area for all loans. We verified the accuracy of the bank's reports. 81% of all loans on the bank's books as of September 20, 1999, were made in the assessment area.

***Geographic Distribution of Loans***

ANB's assessment area contains insufficient diversity to make a geographic distribution analysis meaningful. The assessment area consists of five BNA's, three of which are upper income and two of which are middle income.

***Record of Complaints and Compliance with Anti-discrimination Laws***

There were no complaints about the bank's CRA performance from the public since the last CRA examination.

We reviewed the bank's compliance with the Equal Credit Opportunity Act and the Fair Housing Act. We did not find any violations of the substantive provisions of anti-discrimination laws and regulations.